UNDP

UNITED NATIONS DEVELOPMENT PROGRAMME

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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF EGYPT

(EGY/92/G61) - Preparation of CFC Phase-out Investment Projects in Egypt under the Montreal Protocol

Date of approval by the AC: 1/	15 April 1992
Expected duration:	One year
Proposed executing agency:	UNDP/OPS in cooperation with UNIDO
Montreal Protocol Trust Fund:	$1 500 000
Source of funds:	Interim Multilateral Fund, Montreal Protocol on the Protection of the Ozone Layer
Total UNDP budget:	$1 500 000 (including support costs)

Project background

Ozone depletion results from emissions of chlorofluorocarbons (CFCs), halons, and other chlorine and bromine based chemicals into the atmosphere. It increases the amount of harmful ultraviolet radiation reaching the earth and can affect both human health (skin cancer, eye disorders, suppression of the immune response system) and agricultural/fisheries production.

While industrialized countries have been the primary users of these chemicals, developing countries are increasingly using them in refrigeration, aerosols, foams, solvents, fire extinguishing and other uses. The Antarctic ozone "hole" will not disappear until the atmospheric level of chlorine is reduced to early 1970s levels and recent evidence has shown severe ozone depletion over northern latitudes. The Montreal Protocol calls for the phase-out of ozone-depleting substances (ODS) by the year 2000 with developing countries allowed a 10-year grade period. Some industrialized countries have recently announced accelerated ODS phase-out target dates (1996, 1997).

The Interim Multilateral Fund of the Montreal Protocol assists qualified signatory developing countries meet their incremental costs to enable their compliance with the phase-out provisions of the Protocol. Since the costs of substitutes are often quite high and technologies quite new, the Multilateral Fund compensates developing countries for the proportion of the technical and financial costs of switching to substitutes and the resulting costs of abandonment or transformation of existing plant and equipment.

1/ This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

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An Executive Committee at its Sixth Meeting (27-28 February 1992, Montreal) approved UNDP's 1992 work programme comprising $3.25 million for activities in 21 countries and at the same meeting, approved, at the request of the Government of Egypt, $1.5 million to be given to UNDP to assist Egypt in the preparation of three investment projects.

Description of project

The development objectives of the project are to: (a) undertake recovery and phasing out od ODS in Foam Production which will phase out 75 tons of CFC-11, with estimated total investment of $1.7 million, to be carried out at the Taki Vita Company with the assistance of Egypt's GOFI (General Organization for Industrialization) and the Dow Chemical Company. with EEAA (Egyptian Environmental Affairs Agency) as the national coordinating agency and with the technical cooperation of the United States Environmental Protection Agency; (b) establish technology transfer and usage of non-ODS in foam production which will phase out 75 tons of CFC-12 by utilizing the 134a alternative, with estimated total investment of $2.6 million, to be carried out at the Al-Sherif Plastic Factories with the assistance of GOFI and ICI, with EEAA as the national coordinating agency, and with the technical cooperation of the United Kingdom Department of Environment; and (c) undertake CFC Recycling and Waste Disposal in Refrigeration which will phase out 140 tons of CFCs, with estimated total investment of $1.0 million, to be carried out with the assistance of GOFI and BAYER (Germany), with EEAA as the national coordinating agency, and with the technical cooperation of the Federal Ministry of Environment in Germany.

The Government of Egypt has requested that UNDP work with one specified bilateral agency (US, UK, Germany) for each of the above projects/ UNDP is in full agreement with this approach; and thus a UNDP/USEPA/FME (germany) investment project formulation mission is planned for late April 1992 so that the team could work on all three projects simultaneously with counterparts at EEAA and the relevant factories.

Inputs

UNDP will utilize national and international experts as well as technical expertise from the three cooperating bilateral agencies. It will provide training; equipment; and miscellaneous costs.

Financial data

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Personnel	500 000
Training	50 000
Equipment	752 000
Miscellaneous	25 000
Support costs (13%)	173 000
Total	1 500 000

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